

## Message Text

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ACTION EUR-12

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E.O. 11652: N/A

TAGS ETRD, EEC, UK, UNESCO

SUBJECT: EC REGULATION 1798/75: CUSTOMS DUTIES ON  
EDUCATIONAL, SCIENTIFIC, AND CULTURAL MATERIALS

FOLLOWING LONDON 3128 SENT INFO EC BRUSSELS, BRUSSELS  
COPENHAGEN PARIS BONN DUBLIN ROME LUXEMBOURG THE HAGUE  
MTN GENEVA TOKYO FEB 27 RPTD YOUR ACTION:

REF: STATE 15889#

1. SUMMARY. AS A NEW MEMBER OF THE COMMUNITY STILL  
WITHIN THE TRANSITIONAL PERIOD FOR TARIFFS, THE UK IS  
IMPLEMENTING REGULATION NO. 1798/75 IN ONLY A LIMITED  
WAY. DEPARTMENT OF TRADE INITIAL POSITION IS THAT  
REGULATION MAY GO BEYOND THE TERMS OF THE FLORENCE  
AGREEMENT, BUT THAT THE COMMISSION IS THE COMPETENT  
AUTHORITY ON THE CXT AND SUGGESTS OUR MAIN APPROACH  
BE CENTERED ON BRUSSELS. EMBASSY UNDERSTANDS UNESCO  
IS GOING TO CONSIDER AMENDMENTS TO THE FLORENCE AGREE-  
MENT AND THE EC COMMISSION IS SEEKING A CHANGE THAT  
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WOULD HAVE ITSELF RECOGNIZED AS BEING SOLE REPRESENTA-

TIVE OF THE COMMUNITY. END SUMMARY

2. PRIOR TO REGULATION 1798/75, UK LAW ON DUTY FREE ENTRY OF MATERIALS FOR SCIENTIFIC/EDUCATIONAL PURPOSES WAS CONSIDERABLY BROADER THAN COVERAGE UNDER THE FLORENCE AGREEMENT. THUS, UK IS NOW IN PROCESS OF NARROWING ITS SCOPE TO THAT OF 1989/75. BUT UNDER AN ADMINISTRATIVE AGREEMENT WITH THE COMMISSION THE IMPLEMENTATION OF THE REGULATION IS BEING DONE IN A VERY LIMITED WAY. ITEMS UNDER CERTAIN VALUES REQUIRE NO CHECK TO DETERMINE IF ITEMS OF EQUIVALENT SCIENTIFIC VALUE ARE MANUFACTURED WITHIN THE EC.

3. THE UK BEGAN USING THIS PROCEDURE JANUARY 1, 1976, AND WILL CONTINUE UNTIL JULY 1, 1977, WHEN THE TRANSITION TO FULL APPLICATION OF THE COMMUNITY'S CXT WILL BE COMPLETE. SINCE JANUARY 1 THERE HAVE BEEN NO UK CASES OF DUTY FREE ENTRY UNDER THE LIMITED APPLICATION OF 1798/75. HOWEVER, VOLUME OF DUTY FREE IMPORTS PRIOR TO REGULATION 1798/75 WAS CONSIDERABLE: POUNDS 21 MILLION (APPROX. 42 MILLION DOLLARS) FROM APRIL 1973 TO APRIL 1974 AND THE BULK APPARENTLY CAME FROM THE US.

4. DEPARTMENT OF TRADE HAS TAKEN FULL NOTE OF US POSITION ON 1798/75 AS CONTAINED IN REFTEL. DEPARTMENT OF TRADE OFFICIALS HAD NO EXTENSIVE INITIAL REACTION. BUT DID GIVE THE PRELIMINARY VIEW THAT 1798/75 APPEARS TO HAVE GONE BEYOND THE TERMS OF THE FLORENCE AGREEMENT. THEY DID NOT RESPOND TO OUR POINTS ON THE LEGAL VIOLATION OF AGREEMENT OR THE DISCRIMINATORY EFFECT THE EC REGULATION HAS ON US-ORIGIN SCIENTIFIC INSTRUMENTS. THEY STRESSED THAT THE COMMUNITY HAS COMPETENCE IN MATTERS CONCERNING INTERNATIONAL OBLIGATIONS AND INTERPRETATIONS UNDER THE CXT. IT WAS SUGGESTED THAT US CONCERNS SHOULD BE PRESSED MAINLY WITH COMMISSION.

5. TRADE SOURCES WHO IMPORT UNDER THE DUTY FREE ARRANGEMENT WERE NOT GENERALLY AWARE OF THE JANUARY 1 CHANGE IN UK REGULATIONS, APPARENTLY SINCE SO LITTLE TIME HAS LAPSED. HOWEVER, THEY WERE UNIFORMLY OPPOSED LIMITED OFFICIAL USE

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TO THE SUBSTANCE OF THE EC REGULATION AND SAID IT WOULD BE "UNWORKABLE."

6. DEPARTMENT OF TRADE OFFICIALS HAVE TOLD US THAT THERE WILL BE A UNESCO MEETING IN PARIS ON MARCH 22 TO CONSIDER/EXTRINSIC THE SCOPE OF THE PRODUCT COVERAGE OF THE FLORENCE AGREEMENT. (REFERENCE WAS MADE TO UNESCO DOCUMENT COM/MD/34 OF 22 AUGUST 1975 ) WE ALSO

UNDERSTAND THAT UNESCO HAS BEEN FORMALLY NOTIFIED BY  
THE EC COMMISSION THAT IT REGARDS ITSELF AS HAVING SOLE  
COMPETENCE TO ENTER INTO COMMITMENTS ON THE APPLICATION  
OF THE CXT AND HAS REQUESTED THAT THE AGREEMENT BE  
AMENDED TO ADD THE WORDS "CUSTOMS AND ECONOMIC UNIONS"  
AT CERTAIN POINTS. SPIERS

NOTE BY OC/T: # AS RECEIVED.

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## Message Attributes

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